

ACADIA PARISH SHERIFF
Crowley, Louisiana

**ANNUAL
FINANCIAL STATEMENTS
WITH SUPPLEMENTAL SCHEDULES**

FOR THE YEAR ENDED JUNE 30, 2006

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 2-28-07

ACADIA PARISH SHERIFF
Crowley, Louisiana

ANNUAL FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2006
WITH SUPPLEMENTAL INFORMATION SCHEDULES

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ANNUAL FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2006
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December 30, 2006

INDEPENDENT AUDITOR'S REPORT

Acadia Parish Sheriff
Crowley, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Acadia Parish Sheriff, as of and for the year ended June 30, 2006, which collectively comprise the Acadia Parish Sheriff's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Acadia Parish Sheriff's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Acadia Parish Sheriff as of June 30, 2006, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Acadia Parish Sheriff's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements and, accordingly, we express no opinion on them.

The Management's Discussion and Analysis on pages 4 through 9 and the required supplementary budgetary information on page 35 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with **Government Auditing Standards**, we have also issued our report dated December 30, 2006 on our consideration of the Acadia Parish Sheriff's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with **Government Auditing Standards** and should be read in conjunction with this report in considering the results of our audit.

Broadhurst, Hamilton & Company
Certified Public Accountants

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

Management's Discussion and Analysis (Unaudited)

Within this section of the Acadia Parish Sheriff's (the Sheriff) annual financial report, the Sheriff's management is please to provide this narrative discussion and analysis of the financial activities of the Sheriff for the fiscal year ended June 30, 2006. The Sheriff's financial performance is discussed and analyzed within the context of the accompanying financial statement and disclosures following this section.

FINANCIAL HIGHLIGHTS

The Sheriff's assets exceeded its liabilities by \$688,431 (net assets) for the fiscal year reported. Total net assets are comprised of the following:

- Capital assets of \$188,622 that includes property and equipment, net of accumulated depreciation. There is no outstanding debt related to the purchase of capital assets.
- Unrestricted net assets of \$443,349 which represents the portion available to maintain the Sheriff's continuing obligations to citizens and creditors.
- Restricted net assets of \$56,460 which represent amounts in the bond sinking fund to be used for payment of the bi-annual interest and principal payments for the long-term bonds.

The Sheriff's governmental funds report total ending fund balance of \$1,389,938 this year. This compares to the prior year ending fund balance of \$939,165, showing an increase of \$450,773 for the current year. At the end of the current fiscal year, the unreserved fund balance for the General Fund was \$1,354,686 or 18.16% of the total General Fund expenditures and 17.13% of total General Fund revenues including transfers. The financial highlights are explained in more detail in the "financial analysis" section of this document.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management Discussion and Analysis document introduces the Sheriff's financial statements. The financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The Sheriff also includes in this report additional information to supplement the financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Sheriff's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Sheriff's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the Statement of Net Assets. This is the government-wide statement of position presenting information that includes all of the Sheriff's assets and liabilities, with the difference reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Sheriff as a whole is improving or deteriorating. Evaluation of the overall health of the Sheriff would extend to other non-financial factors such as diversification of the taxpayer base, in addition to the financial information provided in this report.

The second government-wide statement is the Statement of Activities, which reports how the Sheriff's net assets changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the Sheriff's distinct activities or function on revenues provided by the Sheriff's taxpayers.

The government-wide financial statements present governmental activities of the Sheriff that are principally supported by property taxes. The sole purpose of these governmental activities is public safety. The government-wide financial statements are presented on pages 12 and 13 of this report.

Management's Discussion and Analysis (Unaudited)

FUND FINANCIAL STATEMENTS

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Sheriff uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the financial statements, fund financial statements focus on the Sheriff's most significant funds rather than the Sheriff as a whole.

Governmental funds are reported in the fund financial statements and encompass the same function reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Sheriff's governmental funds, including object classifications. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives. The basic governmental fund financial statements are presented on pages 15-19 of this report.

Fiduciary funds are reported in the fund financial statements and report taxes collected for other taxing bodies, deposits held pending court action and the individual prison inmate accounts. The Sheriff only reports agency funds. The basic fiduciary fund financial statement is presented on page 20 of this report.

NOTES TO THE BASIC FINANCIAL STATEMENTS

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 22 of this report.

OTHER INFORMATION

In addition to the basic financial statement and accompanying notes, this report also presents certain required supplementary information concerning the Sheriff's budget presentations. Budgetary comparison statements are included as "required supplemental information" for the general fund. This statement is a schedule demonstrating compliance with the Sheriff's adopted and final revised budget. Required supplemental information can be found on pages 36-37 of this report. In addition, more detailed nonmajor fund (special revenue fund) information and details of the individual agency funds are presented as supplementary information presented on pages 39 thru 41 of this report.

Management's Discussion and Analysis (Unaudited)

FINANCIAL ANALYSIS OF THE SHERIFF AS A WHOLE

The following table provides a summary of the Sheriff's net assets:

SUMMARY OF NET ASSETS
As of JUNE 30, 2006

	<u>Governmental Activities</u>	<u>Percentage of Total</u>
ASSETS		
Cash and cash equivalents	\$ 2,900,120	71.26%
Other receivables	977,032	24.02%
Prepaid items	3,359	.08%
Capital assets, net	<u>188,622</u>	<u>4.64%</u>
TOTAL ASSETS	<u>\$ 4,069,133</u>	<u>100.00%</u>
LIABILITIES		
Current liabilities:		
Accounts and other accrued payables	\$ 2,374,160	70.22%
LSA Grant payable	19,938	.59%
Bonds payable - current portion	65,000	1.92%
Long-term liabilities:		
Compensated absences	120,128	3.55%
Estimated medical liabilities	96,476	2.86%
Bonds payable	<u>705,000</u>	<u>20.86%</u>
TOTAL LIABILITIES	<u>\$ 3,380,702</u>	<u>100.00%</u>
NET ASSETS		
Invested in capital assets	\$ 188,622	
Restricted for debt service	56,460	
Unrestricted	<u>443,349</u>	
TOTAL NET ASSETS	<u>\$ 688,431</u>	

The Sheriff continues to maintain operations with long-term debt attributable only to the purchase of the Acadia Parish Detention Center (APDC). This is an indication of the Sheriff's ability to pay his obligations as they become due. The Sheriff reported positive balances in net assets for the governmental activities. Net assets increased by \$468,907 for governmental activities in fiscal 2006. The sheriff is addressing rising expenditures by assessing all spending and determining which expenditures may be cut in order to improve the financial strength while continuing to provide exceptional law enforcement to which the residents of Acadia parish have become accustomed. Salaries are being reduced through a hiring freeze that has been implemented to reduce the workforce through attrition until it reaches the optimum size needed to adequately provide law enforcement within the parish. During this time of record high fuel costs, the cost of patrolling the parish is being kept under control by implementing fuel rationing by not allowing the patrol cars to idle while parked and also limiting the patrol mileage to only the amount that needs to be driven. These are examples of some of the measures being taken in order to continue to serve the Acadia parish area with the exceptional law enforcement provided by the Acadia Parish Sheriff.

Management's Discussion and Analysis (Unaudited)

Comparative data for government-wide information is present as it accumulates and is presented to assist analysis in future years. The following table provides a summary of the Sheriff's changes in net assets:

	June 30, 2006		June 30, 2005	
	Governmental Activities	Percentage of Total	Governmental Activities	Percentage of Total
REVENUES:				
Program:				
Charges for services/fines	\$ 1,963,973	23.99%	\$ 1,926,905	26.12%
Operating and capital grants	1,437,942	17.57%	1,340,382	18.17%
General:				
Sales taxes	3,104,311	37.92%	2,595,825	35.19%
Property taxes	1,486,065	18.16%	1,353,078	18.35%
Interest	2,180	0.03%	2,657	0.04%
Miscellaneous	190,979	2.33%	157,185	2.13%
TOTAL REVENUES	\$ 8,185,450	100.00%	\$ 7,376,032	100.00%
PROGRAM EXPENDITURES:				
Public safety	\$ (7,718,543)	100.00%	\$ (8,079,770)	100.00%
TOTAL EXPENDITURES	\$ (7,718,543)	100.00%	\$ (8,079,770)	100.00%
CHANGE IN NET ASSETS	\$ 466,907		\$ (703,738)	
BEGINNING NET ASSETS	221,524		925,262	
ENDING NET ASSETS	\$ 688,431		\$ 221,524	

Governmental Revenues - The Sheriff is heavily reliant on parish-wide property and sales tax revenues to support its operations. Property taxes provided 18.16% and sales taxes provided 37.92% of the Sheriff's total revenues. Because of the Sheriff's healthy financial position, the Sheriff has been able to earn \$2,180 in interest earnings to support governmental activities. Also, note that program revenues cover only 41.56% of governmental operating revenues. This means that the government's taxpayers and the Sheriff's other general revenues fund 58.44% of its operations.

Governmental Functional Expenses - The total function of the Sheriff's office is public safety-law enforcement activities. Of the total costs, depreciation of the office equipment and vehicles was \$70,526 or .91% of total expenses.

Major governmental Fund - The General Fund is the Sheriff's primary operating fund and the largest source of day-to-day service delivery. The General Fund's 2006 fund balance increased by \$455,428. Several factors contributed to this fund decrease.

From a revenue standpoint, sales tax collections increased \$508,486 or 19.59%, grant revenues increased \$161,610 or 16.10% and charges for services and fees increased \$37,068 or 1.92%. The remaining change in revenues was spread throughout various revenue categories. Expenditures reflect a decrease of \$358,394 from 2005, or about 4.59%.

Non-major Governmental Funds - The non-major fund that the Sheriff's office maintains is the Grant Fund. The primary revenue stream in the Grant Fund is federal grants for narcotics investigations. The Grant Fund is used to account for grant monies received for specific equipment purchases and deputies' overtime pay related to criminal patrol. This past year, the Grant fund was utilized to fund overtime pay for deputies for criminal patrol.

The non-major Special Revenue Fund's revenues decreased by \$64,050 from 2005, while the expenditures decreased by \$57,679. The net effect, after other financing sources effects, was a fund balance decrease of \$4,655 for 2006 versus the 2005 net increase of \$1,716.

Management's Discussion and Analysis (Unaudited)

BUDGETARY HIGHLIGHTS

As discussed, governmental funds are reported in the fund statements with a short-term inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Total governmental funds reported ending fund balances of \$1,389,938. The total ending fund balances of governmental funds showed an increase of \$450,773.

General Fund - The General Fund's original and final revenue budgets were less than the actual amounts reported in fiscal year 2006. The final amended budget reported revenues decreasing 1.87% over the original budget and the actual was 8.34% above the final budget revenue. Some of the reasons for the increase in revenues include:

- An increase in federal and state grant funding
- An increase in total fees, fines, commissions and charges for services
- An increase in revenues from sales and ad valorem taxes

The final expenditure budget reported an increase of only .04% over the original budget amounts. The actual expenditures exceeded the final budget by 2.21%.

Although the overall decrease in the amended budget was small, some of the reasons for the changes in the expenditure budget included:

- An decrease in fuel costs
- An decrease in personnel costs
- An decrease in automobile maintenance costs
- An increase in group hospitalization coverage
- An decrease in equipment purchases

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - The Sheriff's investment in capital assets, net of accumulated depreciation as of June 30, 2006, was \$233,510. The net increase (additions, deductions and depreciation) for capital assets was approximately 30.58% for the Sheriff as a whole. The following table provides a summary of capital asset activity:

	Governmental Activities	
	2006	2005
<u>Depreciable assets:</u>		
Office equipment, furniture & vehicles	\$ 1,502,049	\$ 1,479,327
APDC	1,000,000	1,000,000
 Total depreciable assets	 \$ 2,502,049	 \$ 2,479,327
 Less accumulated depreciation	 2,313,427	 2,245,817
 Book value - depreciable assets	 \$ 188,622	 \$ 233,510

At June 30, 2006, the depreciable capital assets for governmental activities were 92.46% depreciated versus 90.58% in the prior year. This comparison indicates that the Sheriff is replacing its assets at a rate that is faster than the overall rate of depreciation. If the rate of replacement continues at this rate, the capital assets will continue to have a positive book value in the coming years. This percentage is a positive indicator. During the years ending June 30, 2006 and 2005, the Sheriff purchased \$26,222 and \$117,186, respectively, of new assets.

The major additions to the vehicles account for 2006 includes:

1 vehicle \$21,052 (average cost of \$21,052)

Management's Discussion and Analysis (Unaudited)

Debt Outstanding - At year end, the Sheriff's long-term debt is due and payable to employees for uncompensated absences and for the outstanding bonds payable issued for the purchase of the Acadia Parish Detention Center (APDC).

As of October 1, 2005, the Series 2000 Detention Center bonds, dated December 1, 2000 and bearing an interest rate of 8.85% were called and reissued as the Series 2005 Detention Center Refunding Bonds bearing a reduced interest rate of 4%. This reduction in interest will aid the sheriff in reducing debt servicing expenditures thereby increasing unrestricted funds available to the sheriff for law enforcement activities within the parish.

CONTACTING THE SHERIFF'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Sheriff's finances, compliance with governmental financial reporting laws and regulations, and demonstrate the Sheriff's commitment to public accountability. If you have questions about this report or would like to request additional information, contact Wayne Melancon, Sheriff, 500 NE Court Circle, Crowley, LA 70526.

BASIC FINANCIAL STATEMENTS

**GOVERNMENT - WIDE
FINANCIAL STATEMENTS (GWFS)**

ACADIA PARISH SHERIFF
Crowley, Louisiana

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STATEMENT OF NET ASSETS
AS OF JUNE 30, 2006

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 2,900,120
Other receivables (Net of allowances)	977,032
Prepaid items	3,359
Capital assets, net of accumulated depreciation	<u>188,622</u>
TOTAL ASSETS	\$ <u>4,069,133</u>
LIABILITIES	
Current Liabilities:	
Trade accounts payable	\$ 2,374,160
LSA Grant payable	19,938
Bonds payable - current portion	65,000
Long-term liabilities:	
Compensated absences	120,128
Estimated medical liabilities	96,476
Bonds payable	<u>705,000</u>
TOTAL LIABILITIES	\$ <u>3,380,702</u>
NET ASSETS	
Invested in capital assets	\$ 188,622
Restricted for debt service	56,460
Unrestricted	<u>443,349</u>
TOTAL NET ASSETS	\$ <u>688,431</u>

The accompanying notes are an integral part of this statement

STATEMENT A

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2006

The accompanying notes are an integral part of this statement

FUND FINANCIAL STATEMENTS (FFS)

ACADIA PARISH SHERIFF
Crowley, Louisiana

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BALANCE SHEET - GOVERNMENTAL FUNDS
AS OF JUNE 30, 2006

	<u>General Fund</u>	<u>Agency Funds</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 686,695	\$ 2,213,425	\$ -	\$ 2,900,120
Receivables	977,032	-	-	977,032
Prepaid expenses	<u>3,359</u>	<u>-</u>	<u>-</u>	<u>3,359</u>
TOTAL ASSETS	<u>\$ 1,667,086</u>	<u>\$ 2,213,425</u>	<u>\$ -</u>	<u>\$ 3,880,511</u>
LIABILITIES & FUND BALANCES				
Liabilities:				
Due to other taxing bodies	\$ -	\$ 2,041,007	\$ 19,938	\$ 2,060,945
Trade accounts payable	151,764	-	1,270	153,034
Estimated medical payments	96,476	-	-	96,476
Accrued interest payable	7,700	-	-	7,700
Held for other agencies	<u>-</u>	<u>172,418</u>	<u>-</u>	<u>172,418</u>
Total liabilities	<u>\$ 255,940</u>	<u>\$ 2,213,425</u>	<u>\$ 21,208</u>	<u>\$ 2,490,573</u>
Fund Balance:				
Reserved	\$ 56,460	\$ -	\$ -	\$ 56,460
Unreserved - undesignated	<u>1,354,686</u>	<u>-</u>	<u>(21,208)</u>	<u>1,333,478</u>
Total fund balance	<u>\$ 1,411,146</u>	<u>\$ -</u>	<u>\$ (21,208)</u>	<u>\$ 1,389,938</u>
TOTAL LIABILITIES & FUND BALANCES	<u>\$ 1,667,086</u>	<u>\$ 2,213,425</u>	<u>\$ -</u>	<u>\$ 3,880,511</u>

The accompanying notes are an integral part of this statement

STATEMENT C

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
AS OF JUNE 30, 2006

Total Fund Balances for Governmental Funds as of June 30, 2006 **\$ 1,389,938**

**Amounts reported for governmental activities in the statement
of net assets is different because:**

Capital assets used in governmental activities are not financial
resources and therefore, are not reported in the funds.

Cost of Capital Assets	\$ 2,502,049	
Less: Accumulated Depreciation	<u>2,313,428</u>	188,621

Long-term liabilities are not due and payable in the current
period and therefore are not reported in the
governmental funds.

Compensated absences payable	\$ (120,128)	
Bonds payable	<u>(770,000)</u>	<u>(890,128)</u>

Total Net Assets of Governmental Activities as of June 30, 2006 **\$ 688,431**

The accompanying notes are an integral part of this statement

STATEMENT D

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2006

	<u>General Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
<u>REVENUES:</u>			
Fees, Fines, Commissions and Charges for Services:			
Commissions - Fines & bonds	\$ 39,127	\$ -	\$ 39,127
Civil & criminal fees	329,689	-	329,689
Court attendance	10,574	-	10,574
Community service reimbursements	30,356	-	30,356
Bond fees	28,592	-	28,592
Transportation of prisoners	-	-	-
Feeding & keeping of prisoners	1,194,716	-	1,194,716
Tax notices, etc.	39,319	-	39,319
Other fees charges & commissions	<u>291,600</u>	<u>-</u>	<u>291,600</u>
Total Fees, Fines Commissions And Charges for services	<u>\$ 1,963,973</u>	<u>\$ -</u>	<u>\$ 1,963,973</u>
Operating Grants and Contributions:			
Federal grants	\$ 15,831	\$ 272,253	\$ 288,084
State grants	522,006	-	522,006
State supplemental pay	305,487	-	305,487
State revenue sharing	322,365	-	322,365
Matching funds	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating Grants and Contributions	<u>\$ 1,165,689</u>	<u>\$ 272,253</u>	<u>\$ 1,437,942</u>
Revenue from Taxes:			
Sales taxes	\$ 3,104,311	\$ -	\$ 3,104,311
Ad valorem taxes	<u>1,486,065</u>	<u>-</u>	<u>1,486,065</u>
Total Revenue from taxes	<u>\$ 4,590,376</u>	<u>\$ -</u>	<u>\$ 4,590,376</u>
Miscellaneous:			
Interest	\$ 2,180	\$ -	\$ 2,180
Other	<u>187,480</u>	<u>-</u>	<u>187,480</u>
Total Miscellaneous	<u>\$ 189,660</u>	<u>\$ -</u>	<u>\$ 189,660</u>
TOTAL REVENUES	<u>\$ 7,909,698</u>	<u>\$ 272,253</u>	<u>\$ 8,181,951</u>
<u>EXPENDITURES:</u>			
Personnel Salaries:			
Sheriff	\$ 114,368	\$ -	\$ 114,368
Deputies	3,834,225	113,264	3,947,489
Employee Related Benefits:			
Pension fund	385,658	-	385,658
Unemployment insurance	8,750	-	8,750
Medicare	56,077	-	56,077
Fringe benefits - Federal funds	-	2,728	2,728

The accompanying notes are an integral part of this statement

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2006**

	General Fund	Nonmajor Funds	Total
EXPENDITURES (CONT.)			
Operating Services:			
Liability insurance	291,652	-	291,652
Hospitalization	1,280,263	-	1,280,263
Telephone	91,184	-	91,184
Operating and Maintenance:			
Boat expense	-	-	-
Computer expenditures	55,692	-	55,692
Office expenditures	190,891	-	190,891
Dues and subscriptions	16,408	-	16,408
Prisoner feeding and maintenance	503,678	-	503,678
Prisoner transportation	2,817	-	2,817
Professional services	31,825	-	31,825
Other direct cost - Federal grants	-	52,256	52,256
Deputy:			
Uniforms	24,330	-	24,330
Equipment and supplies	16,845	1,084	17,929
Training	28,453	-	28,453
Automobile:			
Repair and maintenance	101,586	-	101,586
Fuel and oil	193,991	-	193,991
Sheriff's allowance	-	-	-
Criminal investigations	58,679	-	58,679
Juvenile programs	23,608	-	23,608
Radio maintenance	10,314	-	10,314
Canine maintenance	2,396	-	2,396
Equipment purchases	7,454	7,021	14,475
Travel expenditures	8,981	100,555	109,536
Debt Service:			
Bond principle retirement	60,000	-	60,000
Interest expense	31,423	-	31,423
Capital outlay	26,222	-	26,222
TOTAL EXPENDITURES	\$ 7,457,770	\$ 276,908	\$ 7,734,678
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 451,928	\$ (4,655)	\$ 447,273
OTHER FINANCING SOURCES (USES):			
Sale of assets and seized property	\$ 3,500	\$ -	\$ 3,500
Bond issuance proceeds	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	\$ 3,500	\$ -	\$ 3,500
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ 455,428	\$ (4,655)	\$ 450,773
FUND BALANCES, BEGINNING OF YEAR	955,718	(16,553)	939,165
FUND BALANCES, END OF YEAR	\$ 1,411,146	\$ (21,208)	\$ 1,389,938

The accompanying notes are an integral part of this statement

\$ 450,773

(44,888)

1,022

60,000

\$ 466,907

STATEMENT F

FIDUCIARY FUND TYPE - AGENCY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
AS OF JUNE 30, 2006

	<u>Tax Collector Fund</u>	<u>Bond Fund</u>	<u>Prisoner's Fund</u>	<u>Civil Fund</u>	<u>Total</u>
ASSETS					
Cash and cash equivalents	\$ 2,028,019	\$ 166,031	\$ 6,387	\$ 12,988	\$ 2,213,425
TOTAL ASSETS	<u>\$ 2,028,019</u>	<u>\$ 166,031</u>	<u>\$ 6,387</u>	<u>\$ 12,988</u>	<u>\$ 2,213,425</u>
LIABILITIES					
Due to other taxing bodies	\$ 2,028,019	\$ -	\$ -	\$ 12,988	\$ 2,041,007
Due to others pending court action	-	166,031	-	-	166,031
Due to prisoners	-	-	6,387	-	6,387
TOTAL LIABILITIES	<u>\$ 2,028,019</u>	<u>\$ 166,031</u>	<u>\$ 6,387</u>	<u>\$ 12,988</u>	<u>\$ 2,213,425</u>
NET ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement

NOTES TO FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2006

INTRODUCTION

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the sheriff serves a four-year term as the chief executive officer of the law enforcement district and ex-officio tax collector of the parish. The sheriff also administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, and serving subpoenas.

As the chief law enforcement officer of the parish, the sheriff has the responsibility for enforcing state and local laws, and ordinances, within the territorial boundaries of the parish. The sheriff provides protection to the residents of the parish through on-site patrols and investigations and serves the residents of the parish through the establishment of neighborhood watch programs, anti-drug abuse programs, et cetera. In addition, when requested, the sheriff provides assistance to other law enforcement agencies within the parish.

As the ex-officio tax collector of the parish, the sheriff is responsible for collecting and distributing ad valorem property taxes, parish occupational licenses, state revenue sharing funds, sporting licenses, and fines, costs, and bond forfeitures imposed by the district court.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Acadia Parish Sheriff have been prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Certain of the significant changes in the Statement include the following:

A Management Discussion and Analysis (MD&A) section providing an analysis of the Sheriff's overall financial position and results of operations.

Financial statements prepared using full accrual accounting for all of the Sheriff's activities.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements).

B. REPORTING ENTITY

For financial reporting purposes, the Sheriff includes all funds and activities that are controlled by the Sheriff as an independently elected parish official. The Sheriff is solely responsible for the operations of his office, which includes the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. The Acadia Parish Police Jury maintains and operates the building in which the Sheriff's office is located and provides funds for some equipment and furniture of the Sheriff's office. Because the Sheriff is fiscally dependent on the police jury, the Sheriff was determined to be a component unit of the Acadia Parish Police Jury. The accompanying financial statements present information only on the funds maintained by the Acadia Parish Sheriff.

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2006**

C. BASIS OF ACCOUNTING/MEASUREMENT FOCUS

Government - Wide Financial Statements (GWFS)

The Statement of Net Assets (Statement A) and the Statement of Activities (Statement B) display information about the Sheriff as a whole. These statements include all the financial activities of the Sheriff. These statements present all funds of the reporting entity, which are all considered to be governmental activities. Fiduciary fund activities of the Sheriff are not included in these statements. All the Sheriff's assets and liabilities, including capital assets as well as long-term liabilities, are included in the accompanying Statement of Net Assets. Certain eliminations have been made as prescribed by GASB Statement 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Assets have been eliminated.

The Statement of Activities presents changes in net assets. The Statement of Activities presents a comparison between direct expenses and program revenues for each of the functions of the Sheriff's governmental activities. Direct expenses are those that are specifically associated with a program or function and therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of services offered by the Sheriff, and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund Financial Statements (FFS)

Governmental Fund Financial Statements include an aggregated Balance Sheet and an aggregated Statement of Revenues, Expenditures and changes in Fund Balances for all major governmental funds and non-major funds. An accompanying reconciling schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net assets and changes in net assets presented in the Government-Wide financial statements. A fund is considered major if it is the primary operation fund of the Sheriff or its total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds.

The sheriff used funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain sheriff functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. The emphasis of fund financial statements is on major funds, each displayed in a separate column.

The amounts reflected in the governmental funds financial statements are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are generally included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the

(Continued)

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2006

current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. This approach is then reconciled, through adjustment, to a government-wide view of the Sheriff's operations. The Sheriff reports the following governmental funds:

General Fund:

The general fund, as provided by Louisiana Revised Statute 33:1422 is the principal fund and is used to account for the operations of the Sheriff's office. The Sheriff's primary sources of revenue are a parish wide sales tax and a parish wide ad valorem tax levied by the law enforcement district. Other sources of revenue include commissions on state revenue sharing, state supplemental pay for deputies, civil and criminal fees, fees for court attendance, feeding and maintenance of prisoners, various other reimbursements, fees, grants and commissions. General operating expenditures are paid from this fund.

Fiduciary Fund Financial Statements:

Fiduciary Fund Financial Statements include a Statement of Net Assets. The only funds accounted for in this category by the Sheriff are agency funds. The agency funds account for assets held by the Sheriff as an agent for various taxing bodies (tax collections) and for deposits held pending court actions. These funds, which are custodial in nature (assets equal liabilities); do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting.

Special Revenue Funds:

Special revenue funds are used to account for the proceeds of specific revenue sources such as federal grants. Those revenues are legally restricted by grant agreements to expenditures for specified purposes. Per criteria for FFS above, these funds are presented as nonmajor funds in the governmental fund financial statements.

D. BUDGET PRACTICES

The proposed budget for the fiscal year ended June 30, 2006, was made available for public inspection on June 9, 2005. The proposed budget, prepared on the modified accrual basis of accounting, was published in the official journal 15 days prior to the public hearing, which was held at the Acadia Parish Sheriff's Office on June 24, 2005, for comments from taxpayers at which the budget was legally adopted. According to the minutes, an amended budget was made available for public inspection on June 10, 2006 in the official journal 15 days prior to the public hearing held at the Acadia Parish Sheriff's Office on June 26, 2006, at which the amended budget was legally adopted.

All expenditure appropriations lapse at year-end. Unexpended appropriations and any excess of revenues over expenditures are carried forward to the subsequent year as beginning fund balance.

Neither encumbrance accounting nor formal integration of the budget into the accounting records is employed as a management control device. However, periodic comparisons of budget and actual amounts are made. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

E. CASH AND CASH EQUIVALENTS

The cash amount included in the accompanying financial statements consist of demand deposits, interest bearing demand deposits, money markets and time deposits. Cash equivalents include financial

(Continued)

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2006

instruments with original maturities of 90 days or less. Under state law, the Sheriff may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. Tax collections must be deposited in a bank domiciled in the parish where the funds are collected.

F. RESERVE FOR UNCOLLECTIBLE RECEIVABLES

Since the sheriff is required to provide civil department services for pauper cases, the sheriff has decided to establish a reasonable reserve for uncollectible receivables to cover both the pauper cases and other uncollectible receivables. As time passes, the sheriff adjusts this reserve based on historical performance.

G. INVESTMENTS

Under Louisiana Revised Statute (R.S.) 33:2955, the Sheriff may invest in United States securities, government backed securities or certificates and time deposits as indicated in Note E above. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Under this definition the Sheriff does not have any investments.

H. COMPENSATED ABSENCES

The sheriff's office has the following policy relating to vacation and sick leave:

Full-time deputies of the sheriff's office earn four to ten days of vacation leave each calendar year, depending on length of service. Vacation leave must be taken in the year earned and cannot be accumulated. However, unused vacation leave is paid upon termination of employment. Full-time deputies with a minimum of one year of service will receive ten paid sick days at the beginning of each calendar year. These full time deputies will then receive an additional day of paid sick leave for every year of completed full time service. If an employee does not use all sick days granted to them in a calendar year, the unused days will be rolled over to the next year. No payment will be made for unused sick leave at an employee's termination or retirement.

The Sheriff's recognition and measurement criteria for compensated absences follows:

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

- a. The employees' rights to receive compensation are attributable to services already rendered.
- b. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payment at termination or retirement.

GASB Statement No. 16 provides that a liability for sick leave should be accrued using one of the following termination approaches:

- a. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.

(Continued)

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2006

- b. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

Only the current portion of the liability for compensated absences should be reported in the fund. The current portion is the amount left unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources. The remainder of the liability should be reported in the general long-term obligations account group.

I. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Sheriff maintains a threshold level of \$2,500 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Assets and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Equipment and furniture	5-20
Vehicles	5

J. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

K. PREPAID ITEMS

Prepaid items consist of insurance paid in the current year that will benefit future periods.

L. RESTRICTED NET ASSETS

For government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either:

1. Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; and
2. Imposed by law through constitutional provisions or enabling legislation.

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2006

M. FUND EQUITY

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

N. INTERFUND TRANSACTIONS

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as transfers.

O. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those amounts.

NOTE 2: LEVIED TAXES

The Sheriff was authorized an ad valorem tax millage of 7.74 mills and levied taxes of 7.74 mills for 2006. Ad valorem taxes are recorded in the year the taxes are assessed. The taxes are normally collected in December of the current year and January and February of the ensuing year. Property taxes are recorded as receivables and revenues in the year assessed.

Total assessed value was \$19,162,847 in 2005. Louisiana state law exempts the first \$75,000 of the assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption amounted to \$5,088,101 of the assessed values for 2005.

NOTE 3: CASH AND CASH EQUIVALENTS

At June 30, 2006, the Sheriff has cash and cash equivalents in interest bearing and non-interest bearing accounts (book balance) totaling \$2,898,850 as follows:

Demand deposits	\$	2,899,220
Petty cash		<u>900</u>
Total Cash and Cash Equivalents	\$	<u>2,900,120</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2006, the Sheriff has \$3,387,035 in deposits (collected bank balances). These deposits are secured from risk by \$585,996 of federal deposit insurance and \$15,115,786 of pledged securities held by the custodial banks in the name of the fiscal agent banks (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement of the custodial bank

(Continued)

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2006

to advertise and sell the pledged securities within 10 days of being notified by the Sheriff that the fiscal agent has failed to pay deposited funds upon demand. Further, LRS 39:1224 states that securities held by a third party shall be deemed to be held in the Sheriff's name.

There is restricted cash of \$56,460 in the bond sinking fund which is to be used only for the retirement of the long-term bonds payable.

NOTE 4: RECEIVABLES

The receivables of the Acadia Parish Sheriff as of June 30, 2006, are as follows:

<u>Class of Receivable</u>	<u>General Fund</u>
Fees, charges, and commissions	\$ 280,660
Less: Allowance for Uncollectible Receivables	<u>101,151</u>
Net Fees, Charges, and Commissions	\$ 179,509
Ad Valorem taxes	8,939
Sales taxes	467,987
Prisoner maintenance	127,436
Due from deputies	292
Due from LSA Grant	51,422
Reimbursements	102,882
State/Parish appropriations	<u>38,565</u>
Net Receivables	<u>\$ 977,032</u>

NOTE 5: PENSION PLAN

Plan Description. Substantially all employees of the Acadia Parish Sheriff's Office are members of the Louisiana Sheriff's Pension and Relief Fund (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

All sheriffs and all deputies who are found to be physically fit, who earn at least \$400 per month, and who were between the ages of 18 and 50 at the time of original employment are required to participate in the System. Employees are eligible to retire at or after age 55 with at least 12 years of credited service and receive a benefit, payable monthly for life, equal to a percentage of their final-average salary for each year of credited service. The percentage factor to be used for each year of service is 2.5% for each year if total service is at least 12 but less than 15 years, 2.75% for each year if total service is at least 15 but less than 20 years, and 3% for each year if total service is at least 20 years (Act 1117 of 1995 increased the accrual rate by 0.25% for all service rendered on or after January 1, 1980.) In any case, the retirement benefit cannot exceed 100% of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination as indicated previously. Employees who terminate with at least 20 years of credited service are also eligible to elect early benefits between ages 50 and 55 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at age 55. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Sheriffs Pension and Relief Fund, Post Office Box 3163, Monroe, Louisiana 71220, or by calling (318) 362-3191.

(Continued)

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2006**

Funding Policy. Plan members are required by state statute to contribute 9.7% of their annual covered salary and the Acadia Parish Sheriff is required to contribute at an actuarially determined rate. The current year rate was 6.0% (prior year rate was 5.0%) of annual covered payroll. Contributions to the System also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. The contribution requirements of plan members and the Acadia Parish Sheriff are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Acadia Parish Sheriff's contributions to the System for the years ending June 30, 2006, 2005, and 2004, were \$385,658, \$355,394, and \$314,297, respectively, equal to the required contributions for each year.

NOTE 6: TAXES PAID UNDER PROTEST

The unsettled balances due to taxing bodies and others in the agency funds at June 30, 2006 as reflected in Statement G, include \$1,715,722 of taxes paid under protest, plus interest earned to date on the investment of these funds, totaling \$176,147. These funds are held pending resolution of the protest and are accounted for in the Tax Collector Agency Fund.

NOTE 7: POST-EMPLOYMENT HEALTH CARE BENEFITS

The sheriff provides certain health care and life insurance benefits for retired employees. Substantially all of the sheriff's employees may become eligible for these benefits if they reach retirement age while working for the sheriff. The cost of retiree health care and life insurance benefits is not kept separate from active employees, therefore the cost of such benefits is not available at this time.

NOTE 8: CAPITAL ASSETS

A summary of changes in office furnishings, equipment and vehicles follows:

<u>Governmental Activities</u>	<u>Balance 07/01/2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/2006</u>
Depreciable assets:				
Equipment, furniture and vehicles	\$ 1,479,327	\$ 26,222	\$ 3,500	\$ 1,502,049
APDC	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>
Total Depreciable Assets	\$ 2,479,327	\$ 26,222	\$ 3,500	\$ 2,502,049
Less accumulated depreciation	<u>2,245,817</u>	<u>71,110</u>	<u>3,500</u>	<u>2,313,427</u>
Capital Assets, net	<u>\$ 233,510</u>	<u>\$ (44,888)</u>	<u>\$ -</u>	<u>\$ 188,622</u>

Depreciation expense in the amount of \$71,110 was charged to public safety.

NOTE 9: DEFERRED COMPENSATION PLAN

Certain employees of the Acadia Parish Sheriff participate in the Louisiana Public Employees Deferred Compensation Plan adopted under the provisions of the Internal Revenue code Section 457. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397.

(Continued)

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2006

NOTE 10: EXPENDITURES OF THE SHERIFF'S OFFICE PAID BY THE PARISH POLICE JURY

Certain operating expenditures of the sheriff's office are paid by the Acadia Parish Police Jury and are not included in the accompanying financial statements. The sheriff's office is located in the parish courthouse. The cost of maintaining and operating the parish courthouse is paid for by the Acadia Parish Police Jury.

NOTE 11: RESTRICTED NET ASSETS/FUND BALANCE RESERVE

The following schedule summarizes restricted net assets and the reserves at June 30, 2006:

	<u>Fund Balance Reserve</u>		<u>Restricted Net Assets</u>
	<u>General Fund</u>	<u>Nonmajor Funds</u>	
Reserved Bond for Debt Payment	<u>\$ 56,460</u>	<u>\$ -</u>	<u>\$ 56,460</u>

NOTE 12: LITIGATION AND CLAIMS

At June 30, 2006, the Sheriff was a defendant in lawsuits principally arising from the normal course of operations. The Sheriff's legal counsel has reviewed the Sheriff's claims and lawsuits, which are primarily personal injury claims, in order to evaluate the likelihood of an unfavorable outcome to the Sheriff and to arrive at an estimate, if any, of the amount or range of potential loss to the Sheriff. As a result of the review, the various claims and lawsuits have been categorized into "probable," "reasonably possible," or "remote," as defined by the Governmental Accounting Standards Board. All of the current claims have been classified as remote.

NOTE 13: RISK MANAGEMENT

Liability and Property Insurance

The Sheriff's office is exposed to various risks related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Louisiana law provides that the Sheriff may join with other sheriffs to form an interlocal risk management agency for the development and administration of an interlocal risk management program. The Acadia Parish Sheriff has joined together with other sheriffs to form the Louisiana Sheriff's Risk Management Program, a public entity risk pool currently operating as a common risk management and insurance program for Louisiana sheriffs. The Sheriff pays an annual premium to the pool for its general and professional liability insurance coverage.

The agreement for formation of the Louisiana Sheriff's Risk Management Program, administered by the Louisiana Sheriff's Association, provides for the pool to be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$3,000,000 for each insured event. The Sheriff estimates the range of contingent losses, if any, to be borne by the government will not exceed the available insurance coverage.

The Louisiana Sheriff's Risk Management Program has published its own financial report which can be obtained from the Louisiana Sheriff's Association, 1175 Nicholson Drive, Baton Rouge, La 70804.

In addition to the above, the Sheriff has obtained commercial insurance for all the aforementioned risks and settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage during this year.

(Continued)

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2006

Group Self-Insurance Health Plan

The Sheriff provides health insurance coverage to its employees and their families through a partially self-insured plan. The Sheriff is liable for the first \$50,000 in claims per insured per year and the first \$1,188,162 in aggregate claims. The sheriff has purchased coverage from an insurance company for all costs above this limit per participant and in aggregate. As of June 30, 2006, pending claims amount to \$96,476. The pending claims payable at June 30, 2006 had already been paid by the completion of the audit and actual expenses were used to calculate pending claims.

	Beginning of Fiscal Year Liability	Current-Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
Year Ended June 30, 2006	\$ 175,461	\$ 1,280,263	\$ 1,359,248	\$ 96,476

NOTE 14: FEDERAL FINANCIAL ASSISTANCE

The Acadia Parish Sheriff participates in various grant programs funded by state and federal governments. The following schedule provides selected information on various grant expenditures for the year ended June 30, 2006.

<u>FEDERAL GRANTOR/ PROGRAM OR CLUSTER TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
Homeland Security	L05-8-001	\$ 30,262
Statewide Criminal Info Sharing	B05-8-001	124,460
Victim Assistance Program	C02-8-006 C03-8-013	2,126 12,880
Multi-Jurisdictional Task Force	B05-4-001	25,463
Violent Crime Unit	B04-8-001	21,508
D.A.R.E.	E06-4-002	21,732
Act 562 Training	P04-4-001	2,500
Total Expenditures of Federal Awards		\$ 240,931

NOTE 15: LONG TERM DEBT

The Revenue Bonds are collateralized by the revenue of the Acadia Parish Detention Center (APDC) and the other lawfully available funds available as established by the bond ordinance. The ordinance provides that the revenue of the APDC is to be used first to pay operating and maintenance expenses of the APDC and second to establish and maintain the APDC Bond Sinking Fund. Remaining revenues may then be used for any lawful purpose. It is also provided that the Issuer may use other lawfully available funds to supplement the cost of operating and maintaining the APDC.

(Continued)

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2006

Components of Restricted Cash

Current Maturities of Revenue Bonds	\$ 48,760
Revenue Bond's Accrued Interest Payable	<u>7,700</u>
Total Restricted Cash	<u>\$ 56,460</u>

At June 30, 2006, bonds payable consisted of the following issue:

Series 2005 Detention Center Refunding Bonds, dated October 1, 2004, interest is due in semi-annual installments commencing April 1, 2006 and shall mature serially on October 1 of each year through, October 1, 2015, bearing rates of 4.00%

\$ 770,000

<u>Outstanding Bonds Payable</u>	<u>Balance 07/01/2005</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance 06/30/2006</u>
Series 2004 Bonds	\$ 830,000	\$ -	\$ 60,000	\$ 770,000
Total Bonds Payable	<u>\$ 830,000</u>	<u>\$ -</u>	<u>\$ 60,000</u>	<u>\$ 770,000</u>

Annual requirements to retire debt obligations are as detailed below:

<u>Principal Interest Payment Dates</u>	<u>Interest Only Payment Dates</u>	<u>Principal</u>	<u>Interest</u>
October 1, 2006		\$ 65,000	\$ 15,400
	April 1, 2007	-	14,100
October 1, 2007		65,000	14,100
	April 1, 2008	-	12,800
October 1, 2008		70,000	12,800
	April 1, 2009	-	11,400
October 1, 2009		75,000	11,400
	April 1, 2010	-	9,900
October 1, 2010		75,000	9,900
April 1, 2011 thru October 1, 2015		<u>420,000</u>	<u>51,400</u>
Totals		<u>\$ 770,000</u>	<u>\$ 163,200</u>

NOTE 16: LEASES

Operating Leases

The sheriff is obligated under certain leases accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations, and therefore the results of the lease agreements are not reflected in the general fixed assets account group.

The Sheriff has operating leases of the following nature:

(Continued)

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2006

- a. The sheriff has a lease with Ignacio Garcia for an office building. This lease expired June 30, 2004 and has been renewed for another three years ending June 30, 2007. This lease has monthly lease payments of \$1,632.
- b. The sheriff has four (4) leases with Xerox for copiers. These leases expire on the following schedule:
1. June 30, 2007 with a monthly lease payment of \$163 plus excess usage charges calculated quarterly.
 2. June 30, 2007 with a monthly lease payment of \$103 plus excess usage charges calculated quarterly.
 3. June 30, 2007 with a monthly lease payment of \$103 plus excess usage charges calculated quarterly.
 4. January 31, 2007 with a monthly lease payment of \$315 plus excess usage charges calculated quarterly.

The future minimum annual commitments under these non-cancelable operating leases are as follows:

<u>Fiscal Year</u>	
2006-2007	\$ 26,205
2007-2008	-
2008-2009	-
2009-2010	-
2010-2011	-
<hr/>	
Total Future Minimum Lease Commitments	<u>\$ 26,205</u>

REQUIRED SUPPLEMENTARY INFORMATION

ACADIA PARISH SHERIFF
Crowley, Louisiana

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GENERAL FUND BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2006

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Fees, Fines, Commissions and Charges for Services:				
Commissions - Fines & bonds	\$ 36,352	\$ 36,517	\$ 39,127	\$ 2,610
Civil & criminal fees	239,981	356,653	329,689	(26,964)
Court attendance	8,198	9,017	10,574	1,557
Community service reimbursements	-	17,298	30,356	13,058
Bond fees	-	27,934	28,592	658
Transportation of prisoners	5,745	-	-	-
Feeding & keeping of prisoners	1,377,172	1,146,598	1,194,716	48,118
Tax notices, etc.	36,352	17,205	39,319	22,114
Video poker commissions	239,698	227,490	291,600	64,110
Fines and forfeitures	75,240	18,997	-	(18,997)
Total Fees, Fines Commissions And Charges for services	\$ 2,018,738	\$ 1,857,709	\$ 1,963,973	\$ 106,264
Operating Grants and Contributions:				
Federal grants	\$ 1,025	\$ -	\$ 15,831	\$ 15,831
State grants	282,472	323,077	522,006	198,929
State supplemental pay	303,421	275,633	305,487	29,854
State revenue sharing	328,448	322,365	322,365	-
Total Operating Grants and Contributions	\$ 915,366	\$ 921,075	\$ 1,165,689	\$ 244,614
Revenue from Taxes:				
Sales taxes	\$ 2,876,817	\$ 2,965,502	\$ 3,104,311	\$ 138,709
Ad valorem taxes	1,526,600	1,396,985	1,486,065	89,080
Total Revenue from taxes	\$ 4,403,417	\$ 4,362,587	\$ 4,590,376	\$ 227,789
Miscellaneous:				
Interest	\$ 2,815	\$ 1,520	\$ 2,180	\$ 660
Other	100,069	158,191	187,480	29,289
Total Miscellaneous	\$ 102,884	\$ 159,711	\$ 189,660	\$ 29,949
TOTAL REVENUES	\$ 7,440,406	\$ 7,301,082	\$ 7,909,698	\$ 608,616
EXPENDITURES:				
Personnel Salaries:				
Sheriff	\$ 118,438	\$ 115,330	\$ 114,368	\$ 962
Deputies	3,964,838	3,844,165	3,834,225	9,940
Employee Related Benefits:				
Pension fund	362,138	387,854	385,658	2,196
Unemployment insurance	6,434	122	8,750	(8,628)
Medicare	55,653	57,588	56,077	1,511
Workmens compensation	-	-	-	-
Operating Services:				
Liability insurance	307,833	291,600	291,652	(52)
Hospitalization	1,000,000	1,244,816	1,280,263	(35,447)
Telephone	100,016	81,354	91,184	(9,830)
Operating & Maintenance:				
Boat expense	33	-	-	-
Computer expenditures	53,603	48,715	55,692	(6,977)
Office expenditures	194,853	176,788	190,891	(14,103)
Dues & subscriptions	20,632	19,498	16,408	3,090
Prisoner feeding and maintenance	459,711	501,773	503,678	(1,905)
Prisoner transportation	894	3,173	2,817	356
Professional services	19,723	31,757	31,825	(68)
Deputy:				
Uniforms	30,951	25,994	24,330	1,664
Equipment and supplies	35,283	17,346	16,845	501
Training	54,155	28,556	28,453	103
Automobile:				
Repair and maintenance	160,963	92,845	101,586	(8,741)
Fuel and oil	193,105	167,848	193,991	(26,143)

The accompanying notes are an integral part of this statement

ACADIA PARISH SHERIFF
Crowley, Louisiana

36

GENERAL FUND BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES (CONT.)				
Sheriff's allowance	-	-	-	-
Criminal investigations	30,451	44,857	58,879	(14,022)
Juvenile programs	18,993	28,132	23,608	4,524
Radio maintenance	8,596	10,778	10,314	462
Canine maintenance	4,922	1,971	2,396	(425)
Equipment purchases	187,500	38,201	7,454	28,747
Rentals	-	-	-	-
Travel expenditures	22,707	5,955	8,981	(3,026)
Debt Service:				
Bond principle retirement	-	-	60,000	(60,000)
Interest expense	35,263	31,524	31,423	101
Capital outlay	-	-	26,222	(26,222)
TOTAL EXPENDITURES	\$ 7,427,688	\$ 7,296,338	\$ 7,457,770	\$ (161,432)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 12,717	\$ 4,744	\$ 451,928	\$ 447,184
OTHER FINANCING SOURCES (USES):				
Sale of assets and seized property	\$ 2,332	\$ 4,200	\$ 3,500	\$ (700)
Bond issuance proceeds	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	\$ 2,332	\$ 4,200	\$ 3,500	\$ (700)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ 15,049	\$ 8,944	\$ 455,428	\$ 446,484
FUND BALANCES, BEGINNING OF YEAR	955,718	955,718	955,718	-
FUND BALANCES, END OF YEAR	\$ 970,767	\$ 964,662	\$ 1,411,146	\$ 446,484

The accompanying notes are an integral part of this statement

OTHER SUPPLEMENTAL INFORMATION

SUPPLEMENTAL INFORMATION SCHEDULES
FOR THE YEAR ENDED JUNE 30, 2006

GOVERNMENTAL FUND TYPE - GENERAL FUND:

The general fund is the main operating fund of the Sheriff. This fund is used to account for all financial resources not accounted for in other funds.

GOVERNMENTAL FUND TYPE - SPECIAL REVENUE FUND:

GRANT FUND - The Grant Fund accounts for income related to federal grant monies for specific capital purchases and projects and for grant monies paid to cover overtime paid to deputies for increased patrols during holiday seasons.

FIDUCIARY FUND TYPE - AGENCY FUNDS:

TAX COLLECTOR FUND - Article V, Section 27 of the Louisiana Constitution of 1974, provides that the Sheriff will serve as the collector of state and parish taxes, licenses and fees. The Tax Collector Fund is used to collect and distribute these taxes to the appropriate taxing bodies.

CIVIL FUND - The Civil Fund accounts for the collection of funds in civil suits, Sheriff's sales and garnishments and payment of these collections to the Sheriff's General Fund and other recipients in accordance with applicable laws.

BOND FUND - The Bond Fund is a depository for cash bonds, fines and court costs which are posted in criminal and traffic cases and the collection of a \$15 bond fee charge levied for the processing of cash bonds. Bond fee charges are transferred to the Sheriff's General Fund and cash bonds are held until cases are heard in court and then either refunded to defendants or distributed as directed by the court.

PRISONERS' FUND - The Prisoners' Fund accounts for funds that belong to the inmates and use them to purchase personal items to be used by the inmates.

GOVERNMENTAL FUND TYPE - NONMAJOR SPECIAL REVENUE FUND
COMBINING BALANCE SHEET
AS OF JUNE 30, 2006

	<u>GRANT FUND</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ -
TOTAL ASSETS	\$ -
<u>LIABILITIES AND FUND EQUITY</u>	
Liabilities:	
Accounts payable	\$ 1,271
Loan payable	19,938
Total Liabilities	\$ 21,209
Fund Equity:	
Fund balance	(21,209)
TOTAL LIABILITIES AND FUND EQUITY	\$ -

The accompanying notes are an integral part of this statement

GOVERNMENTAL FUND TYPE - NONMAJOR SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2006

	<u>GRANT FUND</u>
<u>REVENUES:</u>	
Federal grants	\$ 272,253
Matching funds	<u>-</u>
TOTAL REVENUES	<u>\$ 272,253</u>
<u>EXPENDITURES:</u>	
Public safety:	
Current	
Deputy salaries	\$ 113,264
Fringe benefits	2,728
Other direct costs	52,256
Materials and supplies	1,085
Travel expenditures	100,555
Capital outlay	<u>7,021</u>
TOTAL EXPENDITURES	<u>\$ 276,909</u>
EXCESS/(DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (4,656)
FUND BALANCES, BEGINNING OF YEAR	<u>(16,553)</u>
FUND BALANCES, END OF YEAR	<u>\$ (21,209)</u>

The accompanying notes are an integral part of this statement

FIDUCIARY FUND TYPE - AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Civil Fund</u>	<u>Tax Collector</u>	<u>Bond Fund</u>	<u>Prisoners' Fund</u>	<u>Total</u>
BALANCES AT BEGINNING OF YEAR	\$ 20,453	\$ 2,177,867	\$ 174,492	\$ 6,614	\$ 2,379,426
ADDITIONS:					
Deposits:					
Sheriff's sales	\$ 557,802	\$ -	\$ -	\$ -	\$ 557,802
Bonds	-	-	933,628	-	933,628
Advance deposits (suits)	50,900	-	-	-	50,900
Garnishments	128,810	-	-	-	128,810
Sequestration	-	-	-	-	-
Other deposits	-	-	-	140,727	140,727
Taxes, fees, etc., paid to tax collector	-	15,867,992	-	-	15,867,992
Interest earned	-	68,973	-	-	68,973
Total additions	\$ 737,512	\$ 15,936,965	\$ 933,628	\$ 140,727	\$ 17,748,832
Total Beginning Balance and Additions	\$ 757,965	\$ 18,114,832	\$ 1,108,120	\$ 147,341	\$ 20,128,258
REDUCTIONS:					
Taxes, fees, etc., distributed to taxing bodies and others	\$ -	\$ 16,086,813	\$ -	\$ -	\$ 16,086,813
Deposits settled to:					
Sheriff's general fund	205,228	-	138,203	-	343,431
Policy Jury	-	-	246,342	-	246,342
District Attorneys	-	-	140,081	-	140,081
Clerk of Court	48,245	-	63,519	-	111,764
Indigent Defender Board	-	-	128,608	-	128,608
Litigants	276,423	-	50,975	-	327,398
Attorneys, appraisers, etc.	143,588	-	-	-	143,588
Other settlements	61,899	-	88,905	140,954	291,758
Other reductions:					
Refunds	9,594	-	72,566	-	82,160
NSF checks	-	-	12,890	-	12,890
Total Reductions	\$ 744,977	\$ 16,086,813	\$ 942,089	\$ 140,954	\$ 17,914,833
BALANCES AT END OF YEAR	\$ 12,988	\$ 2,028,019	\$ 166,031	\$ 6,387	\$ 2,213,425

The accompanying notes are an integral part of this statement

COMPLIANCE AND INTERNAL CONTROL

BROADHURST, HAMILTON & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

43

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December 30, 2006

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Acadia Parish Sheriff
Crowley, Louisiana

We have audited the basic financial statements of the Acadia Parish Sheriff as of and for the year ended June 30, 2006, and have issued our report thereon dated December 30, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Acadia Parish Sheriff's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance

As part of obtaining reasonable assurance about whether the Acadia Parish Sheriff's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Governmental Auditing Standards*.

We noted other matters involving the internal control over financial reporting that we have reported to management of the Acadia Parish Sheriff's Office in a separate letter dated December 30, 2006.

This report is intended solely for the information and use of the audit committee, management, Louisiana Legislative Auditor, Louisiana Commission on Law Enforcement and Administration on Criminal Justice and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Broadhurst, Hamilton & Company
Certified Public Accountants

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2006

Section I - Summary of Auditor's Reports

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses

___ Yes X No

Reportable Conditions

___ Yes X No

Compliance

Compliance Material to Financial Statements

___ Yes X No

Section II - Financial Statement Findings

This section is not applicable for the year ended June 30, 2006

Section III - Federal Award Findings and Questioned Costs

This section is not applicable for the year ended June 30, 2006

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2006

Section I. Internal Control and Compliance Material to the Financial Statements

2005-01: Budget Amendments

Recommendation:

We recommend the Sheriff's Office implement procedures to monitor budget to actual comparisons and amend as necessary in order to comply with the Louisiana Local Government Budget Act.

Follow Up:

Resolved. The budget was amended timely and the variances were not in excess of five percent.

Section II. Internal Control and Compliance Material to Federal Awards

No findings on internal control and compliance material to the federal awards have been reported.

Section III. Management Letter

2005ML-01: Separation of Duties

Recommendation:

Management should remain constantly aware of the problems that the lack of separation of duties can cause and try whenever feasible to separate conflicting duties. Constant review of personnel assignments by management should be made a priority and implemented on a continuous basis. Management should attempt to rotate conflicting duties among employees whenever possible.

Follow Up:

Partially resolved. The Sheriff and the Chief Financial Officer are aware of the problems regarding the lack of separation of duties and try whenever feasible to separate conflicting duties. Constant review of personnel assignments by management is considered a priority and is implemented on a continuous basis. See current year management letter comment 2006ML-01.

BROADHURST, HAMILTON & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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December 30, 2006

Acadia Parish Sheriff
Crowley, Louisiana

In planning and performing our audit of the general purpose financial statements of the Acadia Parish Sheriff for the year ended June 30, 2006, we considered the internal control structure to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit we became aware of certain matters involving the internal control structure, compliance issues, and other operational matters that are presented for your consideration. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control structure, compliance, or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience. Our comments and suggestions are summarized as follows:

SEPARATION OF DUTIES

2006ML-01:

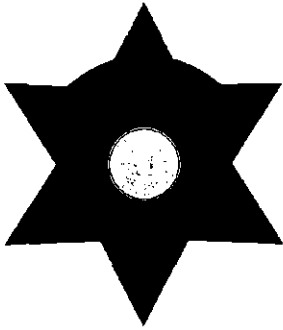
There are instances where the assigned duties of personnel were not adequately separated from conflicting duties. Management needs to be constantly aware of the problems that inadequate separation of duties can cause. Constant review of personnel assignments and rotation of duties can provide acceptable control if monitored and adjusted on a continuous basis. We recommend that management remain aware of the problems regarding the lack of separation of duties and try whenever feasible to separate conflicting duties.

This letter does not affect our report dated December 30, 2006, on the financial statements of the Acadia Parish Sheriff.

This report is intended for the information of management. However, this report is a matter of public record and its distribution is not limited.

Sincerely,

Broadhurst, Hamilton & Company
Certified Public Accountants



ACADIA PARISH SHERIFF'S OFFICE

WAYNE A. MELANCON
Sheriff and Ex-Officio Tax Collector

WALTER J. HARRINGTON
Chief Deputy

CORRECTIVE ACTION PLAN

JUNE 30, 2006

Louisiana Legislative Auditor

The Acadia Parish Sheriff respectfully submits the following corrective action plan for the year ended June 30, 2006.

The recommendations from the June 30, 2006 Management Letter issued as a part of our audit are discussed below. The recommendations are numbered consistently with the numbers assigned in the letter.

2006ML-01

Recommendation: There are instances where the assigned duties of personnel were not adequately separated from conflicting duties. Management needs to be constantly aware of the problems that inadequate separation of duties can cause. Constant review of personnel assignments and rotation of duties can provide acceptable control if monitored and adjusted on a continuous basis. We recommend that management remain aware of the problems regarding the lack of separation of duties and try whenever feasible to separate conflicting duties.

Action Taken: Management has been and will continue to monitor all employees performing conflicting duties while rotating and separating these conflicting duties whenever possible.

If the Louisiana Legislative Auditor has any questions regarding this plan, please call Ralph LaCombe, Chief Financial Officer of the Acadia Parish Sheriff at (337) 788-8760.

Sincerely Yours,

Ralph LaCombe
Chief Finance Officer
Acadia Parish Sheriff

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